

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FTX TRADING LTD., *et al.*,¹

Debtors.

Chapter 11

Case No. 22-11068 (JTD)

(Jointly Administered)

Obj. Deadline: March 6, 2023 at 4:00 p.m. ET

**SECOND MONTHLY FEE STATEMENT OF ALVAREZ & MARSAL NORTH
AMERICA, LLC AS FINANCIAL ADVISORS TO THE
DEBTORS AND DEBTORS-IN-POSSESSION FOR
COMPENSATION FOR PROFESSIONAL SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES INCURRED FOR THE PERIOD
FROM DECEMBER 1, 2022 THROUGH AND INCLUDING DECEMBER 31, 2022**

Name of Applicant	Alvarez & Marsal North America, LLC
Authorized to Provide Professional Services to:	Debtors and Debtors-in-Possession
Date of Retention:	January 19, 2023 <i>nunc pro tunc</i> to November 11, 2022
Period for which compensation and reimbursement is sought:	December 1, 2022 through December 31, 2022
Amount of Compensation sought as actual, reasonable and necessary:	\$9,280,388.50
80% of Compensation sought as actual, reasonable and necessary:	\$7,424,310.80
Amount of Expense Reimbursement sought as actual, reasonable, and necessary:	\$226,211.22

This is a(n) **X** monthly ____ interim ____ final application. No prior application has been filed with respect to this Fee Period.

¹ The last four digits of FTX Trading Ltd.'s and Alameda Research LLC's tax identification number are 3288 and 4063 respectively. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at <https://cases.ra.kroll.com/FTX>.

PRIOR MONTHLY FEE STATEMENTS FILED

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
2/7/23	11/11/22 – 11/30/22	\$6,278,871.00	\$180,774.72	pending	pending

**SUMMARY OF BILLING BY PROFESSIONAL
DECEMBER 1, 2022 THROUGH AND INCLUDING DECEMBER 31, 2022**

Timekeeper Name	Position	Hourly Rate	Total Hours Billed	Total Compensation
Stegenga, Jeffery	Managing Director	\$1,375	57.8	\$79,475.00
Coles, David	Managing Director	\$1,300	165.4	\$215,020.00
Mosley, Ed	Managing Director	\$1,250	202.3	\$252,875.00
Howe, Christopher	Managing Director	\$1,200	152.0	\$182,400.00
Kotarba, Steve	Managing Director	\$1,100	166.1	\$182,710.00
Jacobs, Kevin	Managing Director	\$1,100	84.9	\$93,390.00
Kotarba, Chris	Managing Director	\$1,100	42.0	\$46,200.00
Lubczyk, Joachim	Managing Director	\$1,100	37.7	\$41,470.00
Farsaci, Alessandro	Managing Director	\$1,100	26.2	\$28,820.00
Turner, Cari	Managing Director	\$1,100	25.8	\$28,380.00
Iwanski, Larry	Managing Director	\$1,075	91.3	\$98,147.50
Ryan, Lauren	Managing Director	\$1,075	55.6	\$59,770.00
Marshall, Jonathan	Managing Director	\$1,075	25.7	\$27,627.50
Arnett, Chris	Managing Director	\$1,050	236.4	\$248,220.00
Atwood, Taylor	Managing Director	\$1,025	256.0	\$262,400.00
Gordon, Robert	Managing Director	\$1,025	242.1	\$248,152.50
Chambers, Henry	Managing Director	\$995	171.8	\$170,941.00
Lawson, Alex	Managing Director	\$875	47.7	\$41,737.50
Managing Director Total			2,086.8	\$2,307,736.00
Seaway, Bill	Senior Advisor	\$1,100	93.9	\$103,290.00
Senior Advisor Total			93.9	\$103,290.00
Wilson, Sean	Senior Director	\$1,045	14.3	\$14,943.50
Casburn, Rob	Senior Director	\$1,045	14.0	\$14,630.00
Coverick, Steve	Senior Director	\$950	320.5	\$304,475.00
Ramanathan, Kumanan	Senior Director	\$950	238.5	\$226,575.00
Ulyanenko, Andrey	Senior Director	\$950	189.4	\$179,930.00
Piechota, Robert	Senior Director	\$950	6.6	\$6,270.00
Kwan, Peter	Senior Director	\$900	313.4	\$282,060.00
Konig, Louis	Senior Director	\$900	304.5	\$274,050.00
Sequeira, Joseph	Senior Director	\$900	212.9	\$191,610.00
Johnson, Robert	Senior Director	\$900	173.1	\$155,790.00
Broskay, Cole	Senior Director	\$900	152.3	\$137,070.00
Shanahan (GFD), Michael	Senior Director	\$900	75.4	\$67,860.00
Canale, Alex	Senior Director	\$900	46.6	\$41,940.00

Timekeeper Name	Position	Hourly Rate	Total Hours Billed	Total Compensation
Dudek, Kert	Senior Director	\$900	33.7	\$30,330.00
Dusendschon, Kora	Senior Director	\$900	21.3	\$19,170.00
Cooper, James	Senior Director	\$875	228.6	\$200,025.00
Esposito, Rob	Senior Director	\$875	186.6	\$163,275.00
Callerio, Lorenzo	Senior Director	\$875	100.0	\$87,500.00
Evans, Charles	Senior Director	\$835	45.1	\$37,658.50
Vitale, Anthony	Senior Director	\$800	8.0	\$6,400.00
Senior Director Total			2,684.8	\$2,441,562.00
Walia, Gaurav	Director	\$825	60.7	\$50,077.50
Glustein, Steven	Director	\$800	292.5	\$234,000.00
Kearney, Kevin	Director	\$800	256.0	\$204,800.00
Lewandowski, Douglas	Director	\$800	192.4	\$153,920.00
Wilcke, Robert	Director	\$800	177.3	\$141,840.00
Balmelli, Gioele	Director	\$800	136.3	\$109,040.00
Lambert, Leslie	Director	\$750	228.1	\$171,075.00
Baker, Kevin	Director	\$750	114.8	\$86,100.00
Medway, David	Director	\$750	71.7	\$53,775.00
Lee, Julian	Director	\$750	35.2	\$26,400.00
Radis, Cameron	Director	\$750	21.9	\$16,425.00
Chamma, Leandro	Director	\$750	17.9	\$13,425.00
Rodriguez, Mariah	Director	\$750	15.3	\$11,475.00
Dennison, Kim	Director	\$650	49.1	\$31,915.00
Director Total			1,669.2	\$1,304,267.50
Ardizzoni, Heather	Manager	\$700	97.5	\$68,250.00
Su, Warren	Manager	\$700	57.5	\$40,250.00
Hernandez, Dylan	Manager	\$660	12.6	\$8,316.00
Sloan, Austin	Manager	\$650	59.8	\$38,870.00
Hoffer, Emily	Manager	\$650	49.3	\$32,045.00
Dawes, David	Manager	\$650	13.9	\$9,035.00
Sivapalu, Anan	Manager	\$625	268.8	\$168,000.00
Willden, Alex	Manager	\$625	26.9	\$16,812.50
Lam, James	Manager	\$600	101.0	\$60,600.00
Kumar, Raman	Manager	\$500	27.6	\$13,800.00
Abrahão, Ana	Manager Specialist	\$320	10.0	\$3,200.00
Manager Total			724.9	\$459,178.50
Montague, Katie	Senior Associate	\$700	279.5	\$195,650.00
DiNatale, Trevor	Senior Associate	\$700	234.5	\$164,150.00
Zeiss, Mark	Senior Associate	\$700	113.8	\$79,660.00
Cox, Allison	Senior Associate	\$575	13.4	\$7,705.00
Jackson, Max	Senior Associate	\$500	14.7	\$7,350.00
Senior Associate Total			655.9	\$454,515.00
Trent, Hudson	Associate	\$625	299.6	\$187,250.00
Gonzalez, Johnny	Associate	\$600	323.9	\$194,340.00

Timekeeper Name	Position	Hourly Rate	Total Hours Billed	Total Compensation
Francis, Luke	Associate	\$600	282.1	\$169,260.00
Dameris, Elizabeth	Associate	\$600	28.4	\$17,040.00
Witherspoon, Samuel	Associate	\$575	249.6	\$143,520.00
Joseph, Oswald	Associate	\$575	16.0	\$9,200.00
Parker, Brandon	Associate	\$550	258.5	\$142,175.00
Sigman, Claudia	Associate	\$550	218.5	\$120,175.00
Lei, Katie	Associate	\$550	12.7	\$6,985.00
Chan, Jon	Associate	\$525	160.1	\$84,052.50
Sunkara, Manasa	Associate	\$525	153.9	\$80,797.50
Connolly, David	Associate	\$400	13.0	\$5,200.00
Associate Total			2,016.3	\$1,159,995.00
Jones, Mackenzie	Consultant	\$600	232.5	\$139,500.00
Consultant Total			232.5	\$139,500.00
Slay, David	Analyst	\$525	243.5	\$127,837.50
Burns, Zach	Analyst	\$500	231.5	\$115,750.00
Nizhner, David	Analyst	\$500	188.7	\$94,350.00
Simoneaux, Nicole	Analyst	\$475	259.9	\$123,452.50
Tenney, Bridger	Analyst	\$450	264.7	\$119,115.00
George, Samuel	Analyst	\$450	22.6	\$10,170.00
Lowdermilk, Quinn	Analyst	\$450	7.7	\$3,465.00
Liv-Feyman, Alec	Analyst	\$450	335.1	\$150,795.00
Myers, Claire	Analyst	\$425	200.6	\$85,255.00
Guerrier, Ritchie	Analyst	\$400	138.2	\$55,280.00
Hubbard, Taylor	Analyst	\$400	103.1	\$41,240.00
Analyst Total			1,995.6	\$926,710.00
GRAND TOTAL			12,159.9	\$9,296,754.00
PRIOR PERIOD ADJUSTMENT²				(\$16,365.50)
POST ADJUSTMENT TOTAL				\$9,280,388.50

Blended Hourly Rate: \$764.54

² December Monthly Fee Statement revised to exclude certain personnel from billable status from the prior period (Kritzman, Alon: \$13,335.00; Zimet, Lee: \$3,030.50).

STATEMENT OF FEES BY PROJECT CATEGORY³
DECEMBER 1, 2022 THROUGH AND INCLUDING DECEMBER 31, 2022

Project Name	Hours	Fee Amount
ACCOUNTING	1,147.3	\$852,164.00
ASSET SALES	76.9	\$70,485.00
AVOIDANCE ACTIONS	654.2	\$507,684.50
COURT HEARINGS	9.0	\$9,045.00
BUSINESS OPERATIONS	2,061.7	\$1,656,051.00
CASE ADMINISTRATION	271.0	\$196,891.50
CASH MANAGEMENT	1,049.3	\$828,040.50
CLAIMS	387.6	\$309,743.50
CONTRACTS	1,198.8	\$745,153.50
COURT AND UST REPORTING	63.3	\$56,480.00
CREDITOR COOPERATION	135.4	\$125,995.00
DUE DILIGENCE	133.1	\$113,755.00
EMPLOYEE MATTERS	593.4	\$394,822.00
FEE APPLICATION	51.4	\$29,467.50
FINANCIAL ANALYSIS	1,186.2	\$926,201.00
GOVERNMENT AND REGULATORY DATA REQUESTS	817.9	\$619,957.50
INTERCOMPANY	34.0	\$23,805.00
MOTIONS AND RELATED SUPPORT	372.5	\$311,305.00
SCHEDULES AND STATEMENTS	378.4	\$261,087.50
TAX INITIATIVES	915.4	\$821,266.00
NON-WORKING TRAVEL (BILLED AT 50%)	218.2	\$170,329.00
VENDOR MANAGEMENT	404.9	\$267,025.00
TOTAL	12,159.9	\$9,296,754.00
PRIOR PERIOD ADJUSTMENT		(\$16,365.50)
POST ADJUSTMENT TOTAL		\$9,280,388.50

³ The subject matter of certain time entries may be appropriate for more than one project category. In such instances, time entries generally have been included in the most appropriate category. Time entries do not appear in more than one category.

SUMMARY OF ACTUAL AND NECESSARY EXPENSES

Expense Summary	
Expense Category	Amount
Lodging ⁴	\$119,660.53
Airfare	\$53,896.80
Transportation	\$29,200.73
Meals	\$15,306.22
Miscellaneous	\$8,146.94
TOTAL	\$226,211.22

⁴ The extraordinary circumstances surrounding the Debtors' chapter 11 filing necessitated that A&M mobilize a large number of personnel to New York City on extremely short notice during the holiday season when hotel availability was limited and rates were higher than normal. While all reasonable efforts were made to minimize costs, these conditions resulted in A&M personnel staying at a number of different hotels at various price points during the initial weeks of the case.

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Debtors.

Chapter 11

Case No. 22-11068 (JTD)

(Jointly Administered)

**SECOND MONTHLY FEE STATEMENT OF ALVAREZ & MARSAL NORTH
AMERICA, LLC AS FINANCIAL ADVISORS TO THE
DEBTORS AND DEBTORS-IN-POSSESSION FOR
COMPENSATION FOR PROFESSIONAL SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES INCURRED FOR THE PERIOD
FROM DECEMBER 1, 2022 THROUGH AND INCLUDING DECEMBER 31, 2022**

Alvarez & Marsal North America, LLC (“A&M”), Financial Advisors to FTX Trading Ltd. and its affiliated debtors and debtors-in-possession in the above-captioned cases (collectively, the “Debtors”), hereby submits this Second monthly fee statement (this “Monthly Fee Statement”) for compensation for professional services rendered and expenses incurred for the period from December 1, 2022, through and including December 31, 2022 (the “Fee Period”). In support of the Monthly Fee Statement, A&M respectfully states as follows:

Background

1. On November 11 and November 14, 2022,² the Debtors filed with the United States Bankruptcy Court for the District of Delaware (the “Court”) voluntary petitions for

¹ The last four digits of FTX Trading Ltd.’s and Alameda Research LLC’s tax identification number are 3288 and 4063 respectively. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ claims and noticing agent at <https://cases.ra.kroll.com/FTX>.

² November 11, 2022 is the petition date for all Debtors, except for Debtor West Realm Shires Inc.

relief under title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (as amended or modified, the “Bankruptcy Code”). The Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Joint administration of the Debtors’ cases (the “Chapter 11 Cases”) was authorized by the Court by entry of an order on November 22, 2022 [D.I. 128]. On December 15, 2022, the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”) appointed an Official Committee of Unsecured Creditors (the “Committee”) pursuant to section 1102 of the Bankruptcy Code [D.I. 231].

2. On January 19, 2023, the Court entered the *Order Authorizing the Retention and Employment of Alvarez & Marsal North America, LLC as Financial Advisors to the Debtors and Debtors-in-Possession Pursuant to Sections 327(a) and 328 of the Bankruptcy Code* [D.I. 534], authorizing the retention and employment of A&M as the Debtors’ financial advisors, *nunc pro tunc* to November 11, 2022.

3. On January 9, 2023, the Court entered the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals*, [D.I. 435] (the “Interim Compensation Order”).

Relief Requested

4. By this Monthly Fee Statement and in accordance with the Interim Compensation Order, A&M makes this application for (i) allowance of compensation as an administrative expense of the Debtors’ estates in the amount of \$9,280,388.50 for reasonable and necessary professional services rendered, (ii) payment of compensation in the amount of 80% thereof (in the amount of \$7,424,310.80) and (iii) payment of \$226,211.22 for actual and necessary expenses incurred.

a. Compensation Requested

5. The services performed by A&M during the Fee Period included, among others, assistance with preparation for second day pleadings, identification of assets and collateral, development of accounting records and reporting procedures, vendor outreach and management services, initiate statements and schedules preparation, and assistance with cash management services. The following exhibits are attached hereto for the Fee Period: (i) Exhibit A is a summary of time detail by professional; (ii) Exhibit B is a summary of time by task; (iii) Exhibit C is a summary of time records by professional by project category; and (iv) Exhibit D is a summary of time detail by activity by professional. This detailed itemization complies with Local Rule 2016-2 in that each time entry contains a separate time allotment, a description of the type of activity and the subject matter of the activity, all time is billed in increments of one-tenth (1/10) of an hour, time entries are presented chronologically in categories, and all meetings or hearings are individually identified.

6. The timekeepers who rendered services related to each category are identified in Exhibit A, Exhibit B, Exhibit C, and Exhibit D along with the number of hours for each individual and the total compensation sought by each category. All services for which A&M requests compensation were performed for, or on behalf of, the Debtors.

b. Expense Reimbursement

7. A&M incurred out-of-pocket expenses during the Fee Period in the amount of \$226,211.22. The following exhibits are attached hereto for the Fee Period: (i) Exhibit E is a summary of expenses by category and (ii) Exhibit F is a description of the expenses actually incurred by A&M in the performance of services rendered as Financial Advisors to the Debtors. The expenses are broken down into categories of charges, which may include, among other things, the following charges: airfare, lodging, out of town meals,

transportation, and other expenses.

8. In accordance with section 330 of the Bankruptcy Code, A&M seeks reimbursement only for the actual cost of such expenses to A&M. A&M submits that all such expenses incurred were customary, necessary and related to the Chapter 11 Cases and, by this Monthly Fee Statement, requests reimbursement of the same.

Valuation of Services

9. Professionals of A&M have expended a total of 12,159.9 hours in connection with this matter during the Fee Period.

10. The amount of time spent by each of the professionals providing services to the Debtors for the Fee Period is set forth in Exhibit A, Exhibit B, Exhibit C, and Exhibit D. The rates are A&M's normal hourly rates of compensation for work of this character. The reasonable value of the services rendered by A&M for the Fee Period as Financial Advisors for the Debtors in the Chapter 11 Cases is \$9,280,388.50.

11. A&M believes that the time entries included in Exhibit A, Exhibit B, Exhibit C, and Exhibit D, attached hereto and the expense breakdown set forth in Exhibit E and Exhibit F attached hereto are in compliance with the requirements of Local Rule 2016-2.

12. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, the amount requested is fair and reasonable given the complexities of these Chapter 11 Cases, the time expended, the nature and extent of the services rendered, the value of such services, and the costs of comparable services other than in a case under this title.

Certificate of Compliance and Waiver

13. The undersigned representative of A&M certifies that he has reviewed the requirements of Local Rules 2016-2 and that the Monthly Fee Statement substantially complies

with such rule. To the extent that the Monthly Fee Statement does not comply in all respects with the requirements of Local Rule 2016-2, A&M believes that such deviations are not material and respectfully requests that any such requirements be waived.

Notice and No Prior Request

14. Notice of this Monthly Fee Statement has been given to the following parties or, in lieu of, to their counsel, if known: (a) the U.S. Trustee; (b) the Official Committee of Unsecured Creditors; and (c) all parties required to be given notice in the Interim Compensation Order. A&M submits that no other or further notice is necessary.

15. No prior request for the relief sought in this Monthly Fee Statement has been made to this or any other Court.

WHEREFORE, A&M respectfully requests that the Bankruptcy Court (i) approve the Monthly Fee Statement and (ii) grant such further relief as is just and proper.

Respectfully,

Alvarez & Marsal North America, LLC

By: Ed Mosley
Ed Mosley
Title: Managing Director